

H 3020

CONGRESSIONAL RECORD — HOUSE

March 20, 1967

It is also apparent that the Defense Department's dealings for these rapid-fire weapons has been characterized by waste and delay. Our fighting men in Vietnam are still calling for more of these rifles, and only a few days ago were they fully supplied to the first Vietnam-oriented training unit in the Army.

For 4 years now, the Defense Department has been buying Colt-manufactured M-16 automatic rifles exclusively, promising, in effect, to obtain the services of another producer directly, but excusing itself with the plea that it must negotiate with Colt's Inc. for the patent it holds. However, Federal law gives the Defense Department ample authority to obtain a second producer under title 28, section 1498 of the United States Code.

Under the provisions of this law, whenever a product covered by a patent is "used or manufactured by or for the United States" no suit can be brought against a manufacturer, and the patentee's sole remedy is a suit in the Court of Claims against the United States. This provision constitutes in essence compulsory licensing for governmental purposes, and the Comptroller General of the United States has urged that the ownership of a patent should not be a deterrent to Federal procurement on a competitive basis.

Mr. Speaker, the Congress has been told and the press has reported that the M-16 is the most superior small arms weapon available in the United States. Secretary McNamara demonstrated his belief in its superiority by ordering 700,000 of these rifles, although the Pentagon's sole producer has back orders of some 350,000. Yet, if the M-16 is the best we have, why have not more been built? Why has not the Defense Department provided for more than one producer, when its sole producer can turn out about 30,000 a month? Why did the administration allow a heavy shipment to be sold to neutralist Singapore, and doubtlessly negotiations undertaken for this essential weapon with other nations all the way from Brazil to Japan?

This whole business smacks of duplicity, and I think it is high time the American people and the Congress are given some straight answers by the administration.

(Mr. LONG of Louisiana (at the request of Mr. DINGELL) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

[Mr. LONG of Louisiana's remarks will appear hereafter in the Appendix.]

#### THE INSTITUTE OF INTERNATIONAL AFFAIRS: AN ALTERNATIVE TO THE COVERT CIA APPROACH

(Mr. FASCELL (at the request of Mr. DINGELL) was granted permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, I am taking the floor this morning to make a brief announcement.

It should prove of interest to those Members of the House who have followed with growing concern recent newspaper reports of the CIA's activities.

This afternoon, a group of members of the Committee on Foreign Affairs will introduce legislation to provide for open, supervised financing of certain American activities abroad.

This legislation is intended to suggest an alternative to the continuing covert CIA support of various private undertakings which are important from the standpoint of U.S. foreign policy and which both need and deserve public support.

Our legislation calls for the establishment of a publicly controlled corporation, to be known as the Institute of International Affairs, which would concern itself with these problems.

The Members who are joining today in introducing this legislation are: Representative CLEMENT ZABLOCKI, Representative PETER H. B. FRELINGHUYSEN, Representative DONALD M. FRASER, Representative F. BRADFORD MORSE, Representative EDWARD R. ROYBAL, Representative JOHN V. TUNNEY, Representative PAUL FINDLEY, and I.

I should like to add these brief comments:

First, the proposals outlined in our bill stem largely from the work of the Subcommittee on International Organizations and Movements of the Committee on Foreign Affairs. The majority of the sponsors of this legislation serve on that subcommittee. During the past 5 years, our subcommittee has devoted considerable attention to various aspects of our foreign policy operations—including such private overseas undertakings as those which have received covert support from the CIA. We believe that there is a continuing need for providing public support to certain activities of this type. We maintain, however, that this support must be given in full public view, and that it should conform to certain standards.

As chairman of the subcommittee, I have already communicated our thoughts on this subject, and our recommendations, to the three-man Presidential committee studying the Central Intelligence Agency, composed of Secretary of State Nicholas deB. Katzenbach; Secretary of Health, Education, and Welfare John W. Gardner; and Richard Helms, Director of the CIA.

Second, we do not claim that our proposed legislation contains all the answers to what is, indeed, a complex and bothersome problem. We hope that the appropriate congressional committees will hold hearings and examine that problem in depth—and we will welcome any perfecting amendments to our bill which may come from such an inquiry.

And, third, we would like to invite all interested Members to join with us in sponsoring this legislation and working for its early consideration.

#### BILL AUTHORIZING REIMBURSEMENT BY FDIC FOR EMPLOYEE BENEFITS

(Mr. FASCELL (at the request of Mr. DINGELL) was granted permission to ex-

tend his remarks at this point in the Record and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, I am today introducing a bill which will authorize the Federal Deposit Insurance Corporation to reimburse the Government more than \$5½ million for its costs of providing retirement, disability, and compensation benefits to its employees in the early days of FDIC's operations.

Between June 16, 1933, when the Federal Deposit Insurance Corporation was established, and March 1, 1941, only those FDIC employees who transferred to its employ from other Federal agencies were covered by the U.S. civil service retirement and disability system. Employees recruited elsewhere were not covered.

Executive Order 8699 of March 1, 1941, covered most FDIC positions into the competitive classified civil service, thus making those employees eligible for civil service retirement and disability benefits, but no employed contributions to the retirement fund were made by the FDIC through June 30, 1957.

The Civil Service Retirement Act Amendments of 1956—title 5, United States Code, section 2254—required that after the first day of the first pay period beginning after June 30, 1957, a sum equal to the employees' contributions be contributed from the employer's appropriation or fund which is used for payment of salaries, pay, or compensation. Beginning with fiscal year 1958, FDIC has made such employer contributions, but because no provision was made in the act for the payment of employer contributions for the period prior to June 30, 1957, FDIC has contributed no share of the cost of providing retirement and disability benefits for its employees from its inception on June 16, 1933, to June 30, 1957.

The situation regarding employees' compensation benefits is that the FDIC has made no payments into the employees' compensation fund in reimbursement of compensation payments made to its employees, nor borne any part of the costs of administering that fund.

From 1946 to 1963, the Comptroller General in various reports to the Congress recommended that the FDIC assume all costs of providing retirement, disability, and compensation benefits to its employees, including the reimbursement for all costs not yet assumed.

Shortly after its establishment in the 88th Congress, the Legal and Monetary Affairs Subcommittee of the House Committee on Government Operations, of which I was chairman, held hearings to consider the Comptroller General's recommendations. Resulting therefrom was House Report No. 919, entitled "Federal Deposit Insurance Corporation—Assumption of Employees Benefits Costs and Change in Audit Dates," in which we recommended the enactment of legislation which would amend the Federal Deposit Insurance Corporation Act to require the FDIC to:

First, Pay into the civil service retirement and disability fund the Government's cost of providing retirement and disability benefits for the Corporation's employees from the inception of FDIC,